

## Message Text

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ACTION EB-08

INFO OCT-01 ARA-10 EA-10 NEA-10 ISO-00 COME-00 CIAE-00

INR-07 NSAE-00 /046 W

-----002096 231129Z /11

P 231020Z DEC 77

FM AMEMBASSY COLOMBO

TO SECSTATE WASHDC PRIORITY 9112

AMEMBASSY PANAMA PRIORITY

AMEMBASSY SINGAPORE PRIORITY

AMCONSUL HONG KONG PRIORITY

LIMITED OFFICIAL USE COLOMBO 5098

E.O. 11652: NA

TAGS: EAID, ECRE, BBAK, EFIN, CE

SUBJ: REQUEST FOR INFORMATION ON UNITED DEVELOPMENT INCORPORATED (UDI)

1. N.G.P. PANITARATNA, CHAIRMAN OF THE SRI LANKA MONETARY BOARD AND A CLOSE ADVISOR OF PRIME MINISTER JAYEWARDENE, HAS ASKED THE EMBASSY FOR ASSISTANCE IN OBTAINING INFORMATION ABOUT UNITED DEVELOPMENT INCORPORATED (UDI), ITS PRESIDENT, S.N. EISENBERG, ND ITS VICE PRESIDENT FOR FAR EASTERN OPERATIONS, HAROLD M. LANDAU.

2. UDI'S HOME OFFICE IS 33A-34 AVENIDA CUBA, BANCO DE GENERAL BUILDING, PANAMA 5, PANAMA. VARIOUS LETTER HEADS LIST UDI OFFICES IN SINGAPORE (SUITE NO. 1006-1007, 10TH FLOOR, STRAITS TRADING BUILDING, BATTERY ROAD) AND HONG KONG (ST. GEORGE'S BUILDING, 7TH FLOOR, 2 ICE HOUSE STREET). A GLOSSY PAPER BROCHURE LISTS UDI "OFFICES, BRANCHES, ASSOCIATED COMPANIES, AGENCIES, REPRESENTATIVES AND CORRESPONDENTS" IN 36 CITIES AROUND THE WORLD, INCLUDING NEW YORK.

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3. LANDAU HAS BEEN IN COLOMBO FOR THE PAST SEVERAL WEEKS AND IS OFFERING THE GOVERNMENT OF SRI LANKA (GSL) IMPRESSIVE FINANCIAL AND TECHNICAL ASSISTANCE TO COMPLETE THE MASSIVE MAHAWELI IRRIGATION SCHEME. LANDAU SAYS USI IS PREPARED TO LEND UP TO \$1.5 BILLION RPT. \$1.5 BILLION AT ONE QUARTER PERCENT BELOW WORLD BANK INTEREST RATES WITH A SIX-YEAR GRACE PERIOD AND 15-20 YEARS FOR REPAYMENT. LANDAU CLAIMS UDI PRO-

VIDED VIETNAM THIS YEAR WITH "ONE BILLION U.S. DOLLARS OF CREDIT FINANCING AT INTEREST RATES FOR SUPPLIERS CREDIT OF LESS THAN 7.5 PERCENT." ACCORDING TO A LETTER FROM LANDAU TO THE PRIME MINISTER, "UDI IS OFFERING TO BRING ALL OF THE RESOURCES REQUIRED FOR SIMULTANEOUS IMPLEMENTATION OF ALL THE PROJECTS DEFINED IN THE MAHAWELI DEVELOPMENT BOARD SUMMARY REPORT OF NOVEMBER 1977 WITHIN THREE MONTHS." SINCE THE WORLD BANK BELIEVES THAT THREE TO FOUR YEARS OF ADDITIONAL STUDIES WILL BE REQUIRED BEFORE ALLMAHAWELI PROJECTS CAN BE UNDERTAKEN, UDI'S OFFER IS CERTAINLY BREATHTAKING.

4. PANDITARATNA IS A HARD HEADED BUSINESSMAN (HE IS THE SENIOR PARTNER OF THE LARGEST ACCOUNTING FIRM IN THE COUNTRY) AND RECOGNIZES UDI'S OFFER SEEMS TOO GOOD TO BE TRUE. HE HAS BEEN ASKED BY THE PRIME MINISTER TO CHECK OUT UDI AND IS DOING SO THROUGH NORMAL BANKING CHANNELS. PANDITARATNA IS CONCERNED, HOWEVER, THAT THIS PROCEDURE MAY TAKE TOO LONG, AND THE "POLITICIANS" MAY DECIDE TO ACCEPT UDI'S PROPOSAL BEFORE HE CAN DEVELOP ANY INFORMATION ABOUT THE COMPANY.

5. HE HOPES THE EMBASSY CAN PROVIDE INFORMATION MORE QUICKLY. HE SAID ANY BACKGROUND THE EMBASSY CAN SUPPLY ON UDI WILL BE HELD IN STRICT CONFIDENCE, AND ALL SOURCES WILL BE PROTECTED.

6. ACTION REQUESTED: THE EMBASSY WOULD APPRECIATE ANY INFORMATION ADDRESSES CAN PROVIDE ON THE BONA FIDES OF UDI AND LIMITED OFFICIAL USE

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ITS OFFICERS AND ON THEIR CAPACITY TO UNDERTAKE VERY LARGE CONSTRUCTION PROJECTS. AS PANDITARATNA IS UNDER CONSIDERABLE TIME PRESSURE, A PROMPT RESPONSE WOULD BE GREATLY APPRECIATED. WRIGGINS

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## Message Attributes

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**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Disposition Approved on Date:**  
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**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
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**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Status:** NATIVE  
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**Review Markings:**  
Margaret P. Grafeld  
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